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NSC BRIEFING

15 April 1957

NORTH AFRICAN DEVELOPMENTS

I. In Algeria, no evidence of material let-up in 30-month-old rebellion. Lacoste's latest prediction--"material improvement" of France's military position by June--appears as unlikely as his earlier ones (June '56, Oct '56, Feb '57).

A. Rebel strength still 20-30,000.

1. [] rebel military capabilities much improved over last year; rebels determined to stay in field two more years, if necessary.

B. New "psychological offensive" launched by Lacoste last weekend.

1. Directed that Moslem "self-respect and dignity" be safeguarded.
2. Only specific French step: stop "TU"-ing Moslems.
3. "Offensive" makes new surrender appeal to rebels: amnesty guaranteed those turning in weapons and not guilty "common crimes."

C. Arms shortage remains chief rebel handicap; []

D. Morocco, Tunisia unofficially providing rebels assistance.

At same time, both governments urging rebels--thus far unsuccessfully--to reach interim agreement with French.

II. In Morocco, relations with France particularly sour. Sultan still refuses send or accept ambassador.

A. One issue: France withholding needed loans (last week, Mollet said funds would be released). Meanwhile, ^{Morocco seeking} funds elsewhere: already getting Saudi cash and have promise of Spanish grant.

1. Another possible source--higher asking price during forthcoming base and VOA negotiations with US.

2. Another--deal with Sov "trade delegation" (arrived Rabat 9 Apr), although increase in legitimate trade (Moroccan oranges are main item) hard to imagine.

B. Another issue: 80,000 French troops still in Morocco. Rabat demands their evacuation.

C. Another: unsettled southern boundaries.

1. French irritated by unofficial Moroccan claims to Mauritania.

2. French threatening occupy desert area to halt irregulars' raids.

3. Moroccans demanding border commission.

III. In Tunisia, French relations only relatively better.

A. Tunisians want French army evacuation hastened and all but Bizerte cleared before starting joint defense discussions.

B. Tunisian fiscal problem even graver than Morocco's.

1. Perennial unemployment worsened by third year of drought, present locust plague.

2. Sovs also fishing here: delegation to 20 Mar independence celebration reportedly offered Minister of National Economy \$100 million "credit."
3. Tunisian trade with Sovs even smaller than Moroccan (in '55, no exports; \$100,000 in imports), so legitimate trade prospects dim.

Approved For Release 2003/10/01 : CIA-RDP79R00890A000800060008-5

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